

BUDGET ADVISORY COMMITTEE
March 17, 2003

1. ROLL CALL

The meeting was called to order at 5:40 p.m. by Chair David Brown. Committee members present were Dr. Kerry Waldee, Scott Spages and Dan Barr. Committee member Bob Preziosi arrived at 5:45 p.m. Also present was Carol Menke, Acting Budget & Finance Director. Chair David Brown left the meeting at 6:25 p.m. and Dan Barr left the meeting at 6:50 p.m.

2. APPROVAL OF MINUTES

Chair Brown suggested a change to the February 18, 2003, meeting minutes under item 3.1. A motion was made by Dan Barr, and seconded by Kerry Waldee, to approve the minutes of February 18, 2003, as amended. (Motion passed 5-0).

3. OLD BUSINESS

3.1 FY 2001 Financial Statements. Following the discussion of item 3.3 below, the Committee discussed Item 3.1. Before getting into the statements, the Committee asked Ms. Menke for an update on the search for a new Budget and Finance Director. Ms. Menke advised the members that Mr. William (Bill) Underwood, currently at the City of Stuart, had accepted the position with the Town and was scheduled to start with the Town on Monday, March 24th.

The Committee then briefly discussed the current budget process and also the recently passed Fire Rescue bond referendum. Scott Spages questioned when the bond amount was raised to \$16.5 million. He thought he recalled that when it had been discussed previously it was more in the neighborhood of \$10 - \$12 million. Chair Brown commented that the Committee had not sought involvement in the bond issue referendum from the Town Council and asked who had put the projects together. Ms. Menke said the projects and amounts had been put together by the Fire Department together with the Town Administrator's Office. Ms. Menke also said she would go back and review the previous minutes to see if the amount of the referendum had been discussed by the Committee before. The Committee also requested that Ms. Menke invite the Fire Chief, or Ken Cohen or Tom Willi if the Fire Chief is unavailable, to the next Budget Advisory Committee meeting so he could brief the Committee on the proposed projects and timing of the implementation.

Chair Brown brought up the issue of estimating the operating costs for capital projects and discussed the need for downstream analysis of how close the Town's estimates were compared to the actual costs eventually incurred. Chair Brown used the new police station as an example and wondered how close the estimates for that building had turned out to be to the actual costs now that the Town had operated the building for a few years.

The discussion turned back to the FY2001 statements and Ms. Menke briefly went through the various components of the Town's 2001 Comprehensive Annual Financial Report. Given the date of the statements, the emphasis of the discussion was on the

meaning and purpose of the various schedules and footnotes rather than on the specific numbers displayed. Vice Chair Waldee requested that the compliance section of the report also be copied and distributed to the Committee members.

The discussion then turned back to the budget development process for FY2004 and that the members would like the opportunity to be included when the departments they are working with have their budget meetings.

3.2 First Quarter FY03 Report. Tabled until the next meeting.

3.3 Investment Review. Ms. Menke distributed the latest draft of the investment policy which is on the agenda for the next Town Council meeting. After discussion of what changes had been made since the last draft the Committee members discussed their remaining recommendations. Chair Brown discussed that in his opinion the Town Council should be notified before, not after, any Investment Committee meetings. Also, the Committee agreed that the Town Council should appoint a non Town staff member to the Investment Committee to be a “citizen advisor” who would have a financial/investment background.

The Committee discussed that they support the draft policy in total but would still be in favor of these remaining changes being addressed. Dan Barr made a motion, seconded by Vice Chair Waldee, that it is the Budget Advisory’s recommendation to the Town Council that they amend the draft policy to alter the composition of the Investment Committee to include a Town Council appointment who would not be a Town staff member. (Motion passed 5-0). Scott Spages made a motion, seconded by Dan Barr, that the Budget Advisory Committee also recommends that the Town Council amend the draft policy to require prior notification to the Town Council of Investment Committee meetings. (Motion passed 5-0).

4. NEW BUSINESS

5. COMMENTS AND/OR SUGGESTIONS

The Committee members briefly discussed the rules governing appointments to the BAC given the recent Town election. Ms. Menke said she would discuss the rules with the Town Clerk and advise the Committee members of whatever information she found out.

6. ADJOURNMENT

There being no further business, a motion was made by Scott Spages, and seconded by Bob Preziosi, to adjourn the meeting. (Motion passed 3-0). The meeting was adjourned at 6:55 p.m.

Approved

Chair/Committee Member